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Approved For Release 2000/08/29 : CIA-RDP79R00890A000900060030-9

NSC BRIEFING

28 February 1958

ARGENTINA (Short)

- I. Almost complete returns show Frondizi leading nearest rival almost 2 to 1.
 - A. Victory attributable largely to support by Peron--and Communists. Peron vote may be 1/3 of total for Frondizi. Peron, Frondizi enemies nevertheless.
- II. Magnitude Frondizi victory reduced^S likelihood of revolt by military.
 - A. Also Aramburu opposes military interference.
 - B. However, Peronistas inciting military unrest by presenting demands to Frondizi as payment for their vote.
 - C. Peron stated privately he will postpone return indefinitely.
- III. Frondizi's future actions difficult to predict since he is basically unprincipled.
 - A. Is confronted with extremely serious economic problems --trade deficit of \$300 million last year, inflation running 25%.
- IV. Frondizi is not especially friendly with US.
 - A. Has said he is "too busy" to visit US prior to inauguration but probably could be persuaded.
 - B. Public position is nationalistic. Opposes foreign investment in oil, etc.
 1. However, has said privately he approves of such investment.
 - C. Opposes all military pacts including the Rio Treaty.
 - D. Has told Aramburu he will "accept" a reasonable settlement of claims by American and Foreign Power.
 - E. Resents US surplus agricultural disposal program and US import restrictions.

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NSC BRIEFING

26 February 1958

BACKGROUND ON ARGENTINA

- I. US direct investment amounted to about \$470 million in 1956.
(25% of total foreign investment.) British have 20%.
- A. American and Foreign Power is largest investor with \$117 million.
- B. Standard Oil has about \$35 million in refineries, etc.; other US oil companies about \$5 million; some wells.
- C. Meatpackers--Swift, Armour, Wilson--have about \$35 million.
- D. Other important interests:

International Harvester	\$9 million
Kaiser (autos)	8 million
Sterling Drug	6 million
Pfizer Drug	5 million
First of Boston	5 million
Koppers	850,000

II. Almost complete returns are as follows:

A. Frondizi	4,036,000
Balbin	2,581,000
11 others	2,600,000
Blank votes	687,000